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JOINT MEETING OF THE EFFICIENCY TASK FORCE & THE CIA CAREER COUNCIL

[64th Meeting of the Career Council]

7 February 1961

DCI Conference Room

2:00 p.m. - 3:20 p.m.

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. . . . A joint meeting of the Efficiency Task Force and the CIA Career Council convened at 2:00 p.m. on Tuesday, 7 February 1961, in the DCI Conference Room, with the following present:

[redacted]

25X1A9A

Emmett D. Echols

25X1A9A

[redacted]
Lawrence R. Houston
Lyman B. Kirkpatrick

25X1A9A

[redacted]

H. Gates Lloyd

[redacted]

25X1A9A

Following is a verbatim transcript of this meeting.

MR. ECHOLS: After thirteen and a half years of legal existence we are about to add the missing piece to our total personnel mechanism, a mechanism by which we can adjust our manpower on hand to our changing requirements. We propose to do this by Regulation [redacted] "Separation of Surplus Personnel", which, although we have been working on it for a year and a half, was rewritten last week, and for very good reasons. To illustrate the reasons: I attended a meeting of the IAG last week and a report was given on the number of appeals to terminations during the past year by Government employees, and there were some 480 appeals which were sustained by the courts, and 70% of these sustained appeals were based upon the failure of agencies to precisely comply with their own procedures -- and the courts apparently have been very exacting on this thing. So Larry Houston brought this point out and we thought we better go back and eliminate, as much as possible, any little procedural points upon which an attorney could base a case -- and I think the net result - our new [redacted] - is a tremendous improvement over the first drafts.

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25X1 I'd like to entertain any comments or criticisms that you might have on as a manpower adjusting mechanism for the Agency.

MR. KIRKPATRICK: Before we comment, wouldn't it perhaps accelerate our business here if either you or Larry, or both of you, led us through this by hand and explained why these things are in here?

MR. HOUSTON: I'd like to make one general remark first. We had been studying these cases which Ech has mentioned, for weeks and months, and the new ones are getting more restrictive all the time. So we first tried to redraft this a couple of weeks ago and pared this down to an absolute bare bones to make it a completely unassailable regulation. In doing this we told Ech we were taking out things he would probably want in it and probably should be in here, and what our proposal was was to take the bare bones and build it back up to what was necessary to administer this problem. So by considering the wording of those additions very carefully, we think from the legal side it's about as neat as we can get it, and are willing to stand behind this regulation. We think this would stand up in court.

MR. ECHOLS: May I say another word? There are two sides to this regulation. One is the legal side - and we have to have the best possible regulation which will sustain our cases in any appeals that may be made. Secondly, I feel it's very, very important that we do not destroy the employees' sense of job security. They must understand there is a rational, logical, equitable basis for any separation action which we may take based upon manpower maladjustments.

One other point is the audience that we are speaking to. We must assume that our audience consists of the Agency employee at large, supervisors, senior operating officials, external attorneys. This is an unclassified regulation, and we see a need if we separate a man to let him have the Regulation if he wishes a copy of it, and he can dash out and go see his friend Johnny Jones, who is an attorney -- and we hope that this Regulation will discourage such attorneys from taking on cases when they can quickly see the references, authorities -- look them up -- we think it will discourage legal action beyond an initial contact. And lastly, of course, we are writing this so as not to offend the courts or the Civil Service Commission, and right down the line.

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MR. HOUSTON: May I make another comment here? As you all know, the power to discharge rests with the Director personally, and it in effect reads he can determine to discharge any employee, so the concept here is the Director determines the categories for reduction and then the process leads up to where he makes an individual determination. These people may be on a list, but the Director makes an individual determination on each person discharged -- to comply with the concept of the statute. I'm trying here to give the conceptual idea of this Regulation.

MR. ECHOLS: The purpose of paragraph 1, "GENERAL", is to establish the framework of reference within which this Regulation is applicable. It differentiates between separations on the bases set forth here from those separated for cause, substandard performance, and so on. Paragraph 1 reads:

"In the event it becomes necessary or advisable to reduce the number of employees in the Agency, or in any component part of it, or among any defined category of personnel, this regulation shall apply to the exclusion of all other regulations pertaining to the involuntary separation of personnel. However, whether the separation of surplus personnel is contemplated or in process, there is no suspension of the Agency's responsibility and authority to remove, demote, or reassign any employee whose conduct or performance warrants such action. This regulation does not apply to such cases."

25X1A9A

May I ask one question here -- and I think I asked you this before -- "necessary or advisable to reduce the number of employees in the Agency..." -- I think a great many people reading that are going to read that to tie in both bodies and positions. I know that is not what you meant--

MR. ECHOLS: I don't think it's material as to how anyone reads it. When you get a category defined, this is to what you are speaking in determining who is to be separated. Your category might be we have too many over-age-in-grade officers in grades so and so to so and so. Well, now it becomes apparent immediately this is not a reduction in the size of the Agency, necessarily, at all -- it is a correction of an imbalance which may have developed. I don't think we could hope to or should try to spell out in this Regulation every possible situation. We have

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to speak in broad generalities that can be applied to almost any situation warranting adjustment. I think we have tried to NOT be specific.

MR. HOUSTON: I think this covers, the way it is worded, absolute reduction of force Agency-wise, an Agency reduction by competitive area, and then, finally, this unusual way - reduction in categories. So this is designed to be all-embracing.

MR. KIRKPATRICK: At the end of your first sentence - "...to the exclusion of all other regulations pertaining to the involuntary separation of personnel" -- what is the purpose of that clause?

MR. HOUSTON: That is strictly so a lawyer can't come in and say: "You should have used some other regulation because this is an involuntary separation."

MR. ECHOLS: I can give perhaps another reason. From the employee's point of view it means that if we are making a surplus manpower adjustment we won't pick one of our other regulations - for example, [] - and apply the procedures therein. We have assured him that his identification for separation under this "surplus" regulation will be by the procedures noted herein. It's a protection to the employee.

MR. HOUSTON: As you recall, the Civil Service Commission agreed that in terminations under this program they would actively assist people in getting employment. So we can identify them under this.

25X1A9A [] May I make a comment and ask a question? I take it that "category" as used in this first sentence and hereafter in this Regulation has the broadest possible definition and connotation. In other words, in the previous version of this Regulation we said something about "by grade" as distinct from category. I take it that "category" here might include rankings by grade -- in other words, grade would be considered a category as well as a reports officer category or any other.

MR. HOUSTON: True.

25X1A9A [] Or people left-handed or with green eyes -- anything

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would come under this, is that correct?

MR. HOUSTON: That is the aim.

MR. ECHOLS: I trust the rationale will be meaningful in every case, and defensible. But I can see the DD/P, for example, saying that it's his opinion at the present time that he has an excessive number of Operations Officers who are, let's say, over age in grade, in grades so and so through so and so, that there is perhaps an age hump category in grades so and so through so and so - people with inflexibility, immovability, lacking versatility, and so on -- and being very, very broad -- but the real category is Operations Officers.

25X1A9A [] But you know from a purely practical point of view, even though all these things you said are true we propose to identify those people largely by ranking them within their grades - from GS-9 upward, so that you will have some people low on the totem pole and some of those people will be Operations Officers. I think that a consideration will be that they are old and worn out, or something else is true of them, but we won't get at this by saying, in effect, we are going to grade all our Operations Officers as a category, you see. We are going to put the very greatest stress on our officer grades from 9 upward -- and I want to make it perfectly clear and certain that that is covered in the provisions of this Regulation.

MR. KIRKPATRICK: I think "category" is the broadest word you can use -- and that is the whole purpose.

25X1A9A [] Right -- but in the other one it had grades put in there as well as particular categories. Well, I'm satisfied with it, if that is understood.

MR. ECHOLS: It is intended to be as broad as possible or as narrow as possible.

25X1A9A [] All right - I'm all for it.

Now in the second sentence -- and this is a very minor point -- I think the wording there could be improved somewhat. We say: "However, whether the

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separation of surplus personnel is contemplated or in process...." I think that what this doesn't quite express with clarity -- and I would like to see it expressed with clarity -- is that people are responsible for applying these other regulations in good faith and with due diligence, etc., regardless of whether the implementation of this program is contemplated or in process. This is largely just a matter of words -- but is there agreement that this is somewhat awkward?

MR. ECHOLS: You would prefer "even though" instead of "whether"?

25X1A9A

Well, in all cases I would like to get the idea over that this is always the responsibility of supervisors.

MR. ECHOLS: There is the other side of the coin here. We didn't want any employee because he is part of this process to say he must be separated under this regardless of what his interim behavior might be -- this is not his defense, that because he is part of this we can't touch him except under this.

MR. HOUSTON: We struggled with that wording quite a bit, and we would like to get a better word but this gets the thought across pretty well.

MR. KIRKPATRICK: Dan's comment is directed mainly toward the supervisors, and yours [indicating Mr. Echols] is directed mainly toward the employees. I think as far as the supervisors are concerned this is something we have to always keep haranguing them on.

MR. HOUSTON: This is the Director of Personnel's monitoring of this program and the rest of it. "even though" would be all right--

25X1A9A

No - I don't care. I think the thought that is expressed here is a very important one for everybody concerned, and I just wanted it to be as clear as it could be. There should be no reasonable doubt -- and maybe there isn't and I'm just looking for trouble. I rest.

MR. ECHOLS: I think once this program is underway, this total process of identifying a category, identifying the people -- and it shouldn't take but four to

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six weeks - I'm talking in the future -- and not too many things are going to go wrong here where a supervisor should move in and say: "Don't separate under this, fire him - he was drunk last night" - or something like this.

Now paragraph 2, "AUTHORITY".

MR. KIRKPATRICK: Is everybody agreed on paragraph 1? [No response.]

MR. ECHOLS: Paragraph 2, "Authority":

"The National Security Act of 1947, as amended, specifically charges the Director of Central Intelligence with the protection of intelligence sources and methods. To this end, section 6 of the Central Intelligence Agency Act of 1949, as amended, provides that the Agency shall be exempted from the provisions of section 1 and 2, chapter 795 of the Act of August 28, 1935 (49 Stat. 956, 957; 5 U.S.C. 654), and the provisions of any other law which require the publication or disclosure of names, official titles, salaries, or numbers of personnel employed by the Agency. Accordingly, the Director of Central Intelligence has determined that the separation of surplus personnel under this regulation will be carried out under the authority granted to him in section 102(c) of the National Security Act of 1947, as amended, which provides that notwithstanding the provisions of section 6 of the Act of August 24, 1912 (37 Stat. 555; 5 U.S.C. 652), or the provisions of any other law, the Director of Central Intelligence may, in his discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States. Therefore, the standards governing such separations shall be those set forth below exclusively, and no employee shall be entitled to consideration under standards set forth in any other law or regulation, including the Veterans' Preference Act of 1944 (5 U.S.C. 851), as amended, or the United States Civil Service Commission regulations promulgated thereunder. Such termination shall not affect the right of the employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission."

I consider this paragraph to be of primary interest to the employee and any attorney that he may want to consult - bring, right off the bat. And it is true that the authority of the Director acting in this category stems exclusively from section 102(c) of the National Security Act, but we felt it would be useful to bring in as citations all of the other statutes with pertinent thoughts which have a bearing on this particular subject.

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MR. HOUSTON: There is another purpose here. You will notice it contains in it the determination of the Director that this program under this authority is essential to the security and functioning of the Agency -- so that they can't attack a determination on the grounds of "Why didn't you use the Veterans' Preference Act available?" We think that determination is essential.

MR. ECHOLS: There is another thought here. The normal RIF procedures of Government require the establishment of retention registers. These registers must be open, and any person can go in and ask to see his position on the register vis-a-vis other people. This of course would bring us right into this matter of having lists of names. There is a factual relevancy here in this citation of "the Act of August 28, 1935 (49 Stat. 956, 957; 5 U.S.C. 654), and the provisions of any other law which require the publication or disclosure of names, official titles, salaries, or numbers of personnel employed by the Agency." Retention registers would require the disclosure of this type of information, and so we can't do it.

Now paragraph 3, "POLICY."

MR. KIRKPATRICK: Is everybody agreed on paragraph 2? [No response.]

MR. ECHOLS: These policy statements in paragraph 3 are designed to reassure the employee that every effort is going to be made to preserve his job security, and if adjustments are going to be made they will be made on a considered and not an indiscriminate basis.

Maybe we had better read these four policies here. These policies are very important. Paragraph 3.a.:

"When a Deputy Director, in collaboration with the Director of Personnel, shall conclude that the personnel of a Career Service or an organizational component under his jurisdiction are in excess of requirements either with respect to total numbers or to occupational qualifications or other characteristics, he shall recommend to the Director of Central Intelligence the separation of an appropriate number of employees, specifying the particular categories to be affected."

MR. KIRKPATRICK: What do you have in mind by this "or other characteristics"?

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A blue-eyed Irishman?

MR. ECHOLS: Among other things, age, if you will -- immobility.

25X1A9A

Did you have any questions on this, [] Because this seems to be particularly pertinent to your kind of thing. In your memorandum on this you thought we were dealing only with absolute surpluses.

25X1A9A

[] Your first paragraph clears this up.

25X1A9A

[] May I ask something about this? The question I want to clarify can probably best be put by explaining how we propose to go about this thing. In the first instance, because we have a very sizeable number of people involved we propose to go to the various components at Headquarters and ask them to prepare a ranking list. These ranking lists which are produced by the various components will then go to the Panels. Now as it stands at the moment we would prefer not to decide how many people we want to declare surplus, how many people we want to ask to be separated. We believe that through this exploratory process -- certainly as far as the Panel we would like to have our position a flexible one. I think there is some merit to this -- and I could go into some of the reasons for it. But I read this paragraph as requiring that when Bissell says, in effect, to the Director: "We want to implement this program, we want to begin an exercise right now" -- he would be under obligation to state what the categories of people would be and the approximate number of employees. Now he might not want to determine that until he sees how these rankings have come out and until - and this is very important - he gets from you professionals over there [indicating Mr. Echols - Office of Personnel] a guideline, some advice as to what categories -- I'm speaking of grades now -- we should effect a reduction in, thereby contributing as much as possible to an improvement in the manpower situation which confronts us, the hump, and so on. Now I would like to see the Regulation certainly provide that in due course this has to be reported to the Director and he has to approve it, but I would also like to see a distinction between the initial approval - the "Go ahead and begin the exercise" - and compliance with this paragraph. Am I making this clear?

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25X1A9A

[] The retention list you are talking about -- you mean everybody?

25X1A9A

[] The ranking list - everybody -- broken down by grades - GS-9 and above. Now this isn't an insuperable job, when you think of a Division and the number of 15's, 14's and 13's they have -- it's not unmanageable. Did I make this clear to you, Emmett?

MR. ECHOLS: Yes - and I haven't answered that, and I have been aware of this all along. Until you have studied individuals and studied the situation in terms of individuals you do not know exactly where your imbalances are -- correct?

25X1A9A

[] Right.

MR. ECHOLS: And therefore it seems like an impossible problem here. You first have to go to the Director and say, "I have this imbalance, and here is the number of people involved, and in such and such a category" -- and then you're going to make this study. And I thought -- and Larry will have to answer this -- I thought that the Deputy Director - Mr. Bissell - could go to the Director at this time and he could say: "It is my opinion that a considerable imbalance has developed among the Operations Officers GS-9 through 16 in the Clandestine Services over the past 15 years. The exact nature of these imbalances and the exact amount thereof is not ascertainable until we have studied the details of the situation, but I estimate that approximately 250 people may be involved." And you request authority to proceed, under this Regulation, to make an evaluation of your Operations Officers, GS-9 through GS-16, with a view toward coming up with specific recommendations for separation.

25X1A9A

[] If that is what that means, it's bought -- I have no quarrel with it -- but is that what it says?

MR. ECHOLS: This is what I intended it to say.

MR. HOUSTON: As a practical matter, before he went to the Director he would do quite a bit of work on this -- it says here, "When a Deputy Director.... shall conclude...." - so he has to do something to reach that conclusion.

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MR. ECHOLS: All we ask you to do, Dan, is don't start any of this work until the Director has signed this Regulation.

MR. KIRKPATRICK: This is what we have been waiting for for six months.

MR. HOUSTON: Then you can start your listing as soon as this is signed.

MR. KIRKPATRICK: Counselor, in your view do either a. or b. require any notice to or from in writing?

MR. HOUSTON: To or from whom?

MR. KIRKPATRICK: The Director and the Deputy Director.

MR. HOUSTON: There should be a piece of paper from the Deputy Director.

MR. KIRKPATRICK: And the Director should approve it?

MR. HOUSTON: Yes. We are going to monitor these pieces of paper awfully hard.

MR. KIRKPATRICK: Let's.

MR. ECHOLS: Dan, you are concerned about the specificity of the category when you go to the Director for his approval?

25X1A9A And the appropriate numbers.

MR. ECHOLS: Well, it has to be sufficiently explicit to be meaningful and identify the group of people you are going to examine, but I don't think you have to say the category is left-handed dishwashers with one toe, Grade so and so.

25X1A9A Well now, we are talking, you know, about having this Regulation written in such a way that some legal beaver later on can't turn to this thing and say: "You didn't comply with your own Regulation"--and I'm entirely sensible of this possibility.

MR. HOUSTON: There are two things in this problem here. In our mind it's better protection to have the Director at this stage of the game say he

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wants this put into effect as to a certain category and certain numbers. We think that can be left pretty broad. So you can say your operations people are in imbalance and you think you will have to terminate 200 people.

MR. KIRKPATRICK: Or the Clandestine Services are in imbalance because you have cut certain stations overseas and you have to place people here in Headquarters.

25X1A9A [] All right, let me put this to you in my language and see if you think this would comply with the law. Mr. Bissell would say to the Director: "I have determined that there is an imbalance among the personnel GS-9 and above in the Clandestine Services, and I wish to proceed under the provisions of this Regulation to an adjustment of that imbalance. I request your permission to start this thing. At a later date I shall report to you on this thing." That is all right? No quarrel with that?

25X1A9A [] I would read this just the reverse. I would say that Dan should do the groundwork before Mr. Bissell went to the Director.

25X1A9A [] But if the Director is the only one who has this authority, and this is certainly clear, we cannot start down there without official approval by the Director to start this exercise. And that is the reason I have insisted - and Bissell has approved - that we not submit a requirement to the chiefs of our components to start this ranking -- and which is resisted in some quarters -- until the Director has given us authority to do it. Even though the Director signs this Regulation, and if this is in the Regulation, as it obviously will be, I think that if Bissell on his own makes this exploratory move to include rankings by our various components without any approval or go-ahead signal from the Director, it might be construed as being in violation of this paragraph. I don't want to beat this thing to death, nor to complicate it unnecessarily.

25X1A9A [] I don't understand this, because in all categories I am ranking my people on a competitive evaluation list, and in that process we are looking to see if there is an imbalance.

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MR. ECHOLS: You mean communicators, engineers, etc.?

25X1A9A []: Yes. And I'm doing this as a survey of the Office all the time. I didn't think I had to wait until I got a Regulation like this to do it.

MR. ECHOLS: To separate?

25X1A9A [] No, to determine if there was an imbalance.

MR. KIRKPATRICK: A sufficient mandate, yes.

MR. ECHOLS: You [] indicating [] have raised a point, 25X1A9A though. Would it help, Larry, if we cut out that word "particular" and said "specifying the categories to be affected"?

MR. HOUSTON: "...stating the categories to be affected."

MR. KIRKPATRICK: Eliminate both "specifying" and "particular"?

MR. HOUSTON: Yes, and say "stating the categories to be affected."

MR. ECHOLS: Any other comments on a.?

MR. LLOYD: Is it your understanding that "an appropriate number" is a specific number -- or he just says, "I want to eliminate an appropriate number."

MR. ECHOLS: Certainly he should at least estimate to the Director the magnitude of his guesstimate, or he may know specifically if he has already done his spadework. He may say, "I think I've got 80 too many cryptographers"--

25X1A9A [] This is a question that occurred to me. You don't go to him and say, "I want to recommend separation of an appropriate number" - it means that you go to him with a number that you have approximated, and that IS an appropriate one, you see. I think this wording might be slightly confusing. Say "the separation of a number" -- why do we have to put in "appropriate"?

MR. KIRKPATRICK: Or do you want a specific number of employees? What

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you are trying to say there is there must be a number identified? Are you trying to say he has to come up and say, "I want to get rid of 25"?

MR. HOUSTON: No -- I think we could put in there "an approximate number".

MR. ECHOLS: In asking the Director's permission to do this, I think we should at least approximate for him.

25X1A9A [] I have no quarrel with that. And that would certainly clarify the point that Gates made.

MR. ECHOLS: And that removes the specificity on it, at any rate.

Any other comments on paragraph a.? [No response.]

Now paragraph b.:

"Upon a determination by the Director of Central Intelligence that the proposed separations are necessary or advisable...."

25X1A9A [] Would it be better to say that "the proposed reduction is necessary...?"

MR. ECHOLS: We are purposely trying to avoid the use of the word "reduction".

MR. KIRKPATRICK: I think it's all right as it is.

MR. ECHOLS: Paragraph b.:

"Upon a determination by the Director of Central Intelligence that the proposed separations are necessary or advisable, the selection of specific individuals to be separated shall be accomplished on the basis of thoughtful consideration of the past performance, qualifications, accomplishments, and contribution to the mission of the Agency and the assessment of current performance and potential for future usefulness of all individuals in each category affected. Based on such consideration, the relative retention standing of persons in each category under consideration shall be established in accordance with the procedures set forth in paragraph 4 below. The relative retention standing of an individual shall not be affected by the circumstances or location of his assignment."

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MR. KIRKPATRICK: What does that last sentence mean?

MR. ECHOLS: We felt it was very important to tell the employees: "Just because you happen to be between assignments or just because you happen to be here at Headquarters and we can put our hands on you more easily than Johnny Jones who is in [] -- we are not going to juggle our rankings to take advantage of the ease of access to people here."

MR. KIRKPATRICK: In plain English you would say: "It's not just because you are here where we can lay our hands on you."

[] There is another consideration, Kirk, is there not? Let us suppose that we should decide that we are going to rank people by a category other than grade. If a man was tagged through that process he could very well say: "Well, I was just unlucky because I happened to be in that particular category, but in my career in this Agency I have been in other types of jobs. I just happened to be a reports officer at that time. Therefore, it was unfair to tag me for this. If I had been a case officer I wouldn't have been subjected to this thing."

MR. KIRKPATRICK: Isn't that covered in paragraph c., though, Dan?

[] Yes - they certainly overlap. And the "past performance" part of the preceding paragraph, too.

MR. ECHOLS: Any other questions? []

[] The word "advisable" in that first sentence appears to me to be weakening. Why do you need it?

MR. HOUSTON: It's the language of the statute.

MR. ECHOLS: That is a very specific reason - language of the statute.

[] That is reason enough! [Laughter]

MR. ECHOLS: Paragraph c.:

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"An employee shall not be separated as surplus until after the possibilities for his reassignment to vacant positions commensurate with his qualifications have been carefully considered."

Now the emphasis here is on "vacant" - because this means no bumping - there has to be a vacancy and it has to be commensurate with his qualifications. Now a man can be over-qualified for a job - and this is another meaning of the word "commensurate" -- if a man is a GS-15 and we have selected him, and he says, "Well, I can handle that GS-17 over here" - maybe he can handle it, but it is not commensurate with his talents.

Any questions? [No response.]

Paragraph d.:

"An employee whose separation has been approved by the Director of Central Intelligence pursuant to the provisions of this regulation shall be notified of this fact in writing by the Director of Personnel at least thirty (30) days prior to the effective date of termination. This notice shall specify the effective date of separation and shall state that the employee may appeal to the Director of Central Intelligence within ten calendar days from the date of receipt of the notice by him. Such appeal must be in writing and must state the specific reasons upon which it is based."

25X1 [] That last sentence isn't clear to me. When he gets his notice will he be told why?

25X1A9A [] I was raising exactly the same question. Should it not be stated in here he will be given certain specifics so that he can specifically reply?

MR. ECHOIS: I don't think there is any reason. The only reason is that he has been identified as one of those individuals to be separated under Regulation [] by the procedure set forth therein. There is no other reason. It's not because he is a bad boy or his work is unsatisfactory. There is no reason other than the fact that he has come up on the lottery wheel.

25X1A9A [] But it's pretty difficult for him to write a specific answer to that.

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MR. ECHOLS: And obviously the only appeal a man could make -- barring some terrible procedural boo boo on our part - which we don't intend to let happen -- is that a man might come up and on a purely humanitarian basis plead for special consideration.

MR. KIRKPATRICK: As the old-time members of the Career Council remember, I always objected to referring to personnel as "surplus", but I guess we will come to the stage where we will say: "You, like wheat and hogs, are now surplus."

MR. ECHOLS: I can think of another instance. Supposing we were foolish enough to separate a man with 19 years of service and age 49 -- he might come back and say, "If you keep me one more year and then separate me, I'm entitled to an annuity." This might make a good basis for appeal, in my judgment. This is the type of appeal I think we have in mind.

MR. HOUSTON: An appeal for clemency rather than a technical appeal.

MR. ECHOLS: That's right.

25X1A9A

I just don't like to put the Director in the position of making a full-fledged determination, and then say, by inference, "Oh, he is probably wrong, so you can appeal it." We do this quite often, but I still don't like it.

MR. ECHOLS: Any other questions? [No response.]

The balance of this Regulation concerns procedures. Do you want to go through those?

MR. KIRKPATRICK: I think we might as well, as long as we're here.

MR. ECHOLS: Paragraph 4 - PROCEDURES:

"a. Upon the determination by the Director of Central Intelligence that a surplus exists in a given category, the head of the Career Service* concerned shall initiate the development of a relative retention list by existent Career Service Boards or Panels or by Boards which he may establish specifically for this purpose. This relative retention list shall be completed normally within 45 calendar days after the determination has been made. However, the Deputy Director concerned may extend the time permitted for ranking if he deems such action necessary.

*When personnel not assigned to a Career Service are tentatively identified as members of a surplus category, the Operating

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Official concerned shall have the responsibilities of the head of the Career Service as prescribed in this regulation.

- b. The Board or Panel will consider the factors stated in paragraph 3b above in developing the initial relative retention list. If the category includes nineteen or less individuals, it will assign each individual in the category to a specific ranking going from highest to lowest. However, if the category includes twenty or more individuals, the Board or Panel may employ the following procedure: assign each individual in the category to one of ten sections, the first section to contain the names of those individuals ranked highest then downward to the last section which shall contain the names of those individuals ranked lowest, the sections being as nearly equal in size as possible; beginning with the lowest section, sufficient sections to include at least twice the number of individuals to be separated but not less than ten will be consolidated into one group and each individual in this group will be assigned a specific ranking going from highest to lowest."

Now the purpose of this provision is to save hours and hours of a man's time when it isn't important. If you have to go through 500 operations officers, for example, it's relatively easy to sort them into 10 piles - upper 10%, middle 10%, and so on, and then only give individual rankings to double the number of those to be separated from the bottom. This in essence is the same procedure that State Department follows in its selection-out procedures. They have found over the years that this is an expedient gimmick. The same thing is used in our Career Services for promotion actions. There is no sense in ranking everybody that you consider for promotion; you look at every man and then you sort them out into rough categories, and if you have only five vacancies you only give specific attention to the top ten people. So that is the only purpose for this.

(continues reading)

- "c. The relative retention list thus established shall be forwarded by the Board or Panel to the head of the Career Service concerned who shall review it and make and record therewith such changes as he may deem warranted. He shall then forward the list to the Director of Personnel."

Now this recognizes the purpose that the Boards and Panels are only advisory to the Career Service, but nevertheless we feel that we should have and make a record of the initial rankings of the Board, and all the way through - the changes that may be made.

(continues reading)

- "d. The Director of Personnel shall convene a Review Committee composed of three senior officials selected from a panel appointed by the Director of Central Intelligence. The Committee shall review the relative retention standing of the individuals on the list, taking into consideration the factors set forth in paragraph 3b above. Changes recommended by the Review Committee shall be recorded and the relative retention list shall then be returned to the Director of Personnel."

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25X1A9A

[] This I suppose means that this Review Committee would get all of the files of all the individuals, otherwise it's a meaningless review.

MR. ECHOLS: Yes, they would get the files. This is going to be a laborious job, but a very important one, but they would only have to deal with a fraction of the number of files that the original boards had to deal with.

25X1A9A

[] I would put in the Regulation that that review panel certainly should call in the head of the Career Service.

MR. ECHOLS: I think it would be very wise in many cases -- I can't conceive of doing it any other way, frankly.

MR. HOUSTON: We thought it better to leave the Regulation like it is here, and not tie it up.

MR. ECHOLS: I think they would only do this if in looking at a man's file - his history in the Agency - they are unable to find anything out of line. Then I think they would surely ask for additional information, witnesses - "Why does this man stack up so badly?"

25X1A9A

[] I wouldn't suggest putting it here in the Regulation but in the letter to the review officials appointing them -- as a permissive procedure.

MR. ECHOLS: Well, this panel -- I think we must look at it that it represents the Director, but it is also advisory to me, and I'm going to brief these people very, very carefully.

MR. HOUSTON: But I'd rather leave this to oral briefings.

MR. LLOYD: You [] indicating Mr. Echols [] select those members?

MR. ECHOLS: I think on the big exercise in this first run here it might take these people the better part of two weeks, maybe, to do this -- and this means

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we should pick people who can be spared from their jobs for a lengthy period of time because they have a strong Deputy situation, and so on. And in order to get this type of panel I would suggest I ask each of the Deputy Directors to give me the names of ten people who could fulfill this responsibility, and then have the Director appoint these 30 people to the panel, and then on a need basis I would try to tap let's say three people from DD/I or DD/S to handle the DD/P group, or people from the DD/P to handle the DD/S group, and so on, and try to keep a balance here and an impartiality, and so on. We didn't go into all of this here -- but we would negotiate this thing and have the Director sign a memorandum establishing this panel.

(continues reading):

"e. The Director of Personnel shall next forward the relative retention list to the Deputy Director concerned who shall review the list and make and record such changes as he deems necessary. Counting the required number upward from and including the individual lowest on the list, the Deputy Director shall designate the names of those individuals he recommends for separation."

25X1A9A

In the first sentence here, the Deputy Director has the right or authority to change any recommendations by your Review Committee?

MR. ECHOLS: Oh absolutely. But as a practical matter what is going to happen, as each of these reviews is made -- and it seems like a laborious process but it is a very important one -- as each review is made certain adjustments will be made - by the Head of the Career Service--he can make some initial changes--and the Review Committee can recommend certain changes, from their review and their hearing of the evidence, and then the Deputy Director - after all, they are his people and it's his organization, and he should have the last say, I think. Now obviously if during this process from one review to another some gross discrepancy occurs, I think from where I sit that I ought to stop the proceedings immediately and go back and say: "Look boys, the record looks bad, let's get together and reconcile these points of view before we build up a paper record which in the long run is going to look like capricious action did take place." Wouldn't you see it that way, Larry? I think we must avoid building up a paper record which indicates whim and capriciousness. Certainly the right to make changes on the part of the Head of the Career Service, then the Review Committee's right to suggest changes, and lastly

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giving the Deputy Director the last say, I think is proper.

(continues reading)

"f. The Director of Personnel shall review each relative retention list, taking particular note of any changes which have been recorded. He shall determine that the procedures required herein have been complied with and that the surplus individuals have been properly identified. He shall assure that those individuals so identified who may be retained in Agency employment by reassignment to vacant positions elsewhere in the Agency have been so reassigned. He shall then recommend to the Director of Central Intelligence the separation of those remaining individuals identified as surplus."

25X1A9A

[] Do you get the impression that the Director of Personnel is not actually going to reassign these people but is just going to monitor it? Let me read that sentence again: "He shall assure that those individuals so identified who may be retained in Agency employment by reassignment to vacant positions elsewhere in the Agency have been so reassigned." Who is going to do it if it's not the Director of Personnel?

MR. ECHOLS: Let's be realistic -- the number of directed assignments that take place, except in the very low clerical levels, is, very logically, limited in this Agency. We negotiate, explore opportunities, try to match people with positions, and have to see that the proper papers are put through--

25X1A9A

[] All I'm saying is that instead of having the words "have been" substitute "are". This is not just words, because it does indicate that the Director of Personnel has the responsibility for reassigning.

MR. KIRKPATRICK: "are so reassigned." In this instance I think you [indicating Mr. Echols] are going to have a little more mandatory authority than you would normally -- because particularly where individuals make an issue of it and say, "Look, here is a job that I can do" - and they know it, and we can't fight it.

25X1A9A

[] And I think this has some substance -- that you [indicating Mr. Echols] are the people who are going to do it, and not just see that it is done.

MR. ECHOLS: I agree.

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Any other questions on paragraph f.? [No response.]

(continues reading)

- "g. The Director of Central Intelligence shall review each such recommendation and shall in his discretion determine that the termination of the employment of the individual is necessary or advisable in the interests of the United States."

This, again, is the statutory language.

- "h. Following such determination by the Director of Central Intelligence, the effective date of separation shall be established by the Director of Personnel in consultation with the head of the Career Service concerned. The effective date shall not be less than thirty nor ordinarily more than ninety calendar days following notice to the employee; however, upon recommendation of the Deputy Director concerned and with the approval of the Deputy Director (Support), the date may be initially established at, or subsequently extended to, a later date which is not more than 180 calendar days following notice. Such postponement may be authorized in order to complete a particular job or operation which cannot without undue delay or disruption be turned over to another employee or to permit the orderly return of an employee from overseas. Further extensions of the effective date shall require approval of the Director of Central Intelligence."

Any questions?

MR. KIRKPATRICK: Is the next to the last sentence necessary? If it isn't necessary I would recommend leaving it out, because I think it raises a lot of questions and I think you expose yourself to not only argumentation from the employee but also legal challenge on the basis: "Well look, if he had to be kept on to complete a job or operation how can you then determine he is surplus?"

MR. HOUSTON: Keeping him on 180 days is almost an admission that he is not surplus anyway, so we want to state there might be good cause to keep him on as long as 180 days and still have him surplus at the end of that time.

MR. ECHOLS: A bit of public relations, I guess.

MR. KIRKPATRICK: Well, you're asking for trouble. I don't think you have to explain why you grant extensions. The extensions could be granted for personal reasons.

25X1A9A This in a sense excludes personal reasons.

. . . . Mr. Lloyd was called from the meeting at this point

MR. HOUSTON: Our preference would be to cut it off after "...ordinarily

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more than ninety calendar days following notice to the employee"--and not go into the 180 days.

25X1A9A [] I would concur in that.

MR. HOUSTON: We use "ordinarily" - "...nor ordinarily more than ninety calendar days following notice to the employee."

25X1A9A [] And then not saying anything about why you would postpone it.

MR. HOUSTON: No. Have a finding in each case.

MR. KIRKPATRICK: Yes - end the paragraph there.

25X1A9A [] After "...notice to the employee."

Well, I would leave the last sentence in, which gives you an out--

MR. HOUSTON: If you put that in then extensions over 90 days would require the Director to act.

MR. KIRKPATRICK: In effect, Von, they would go to him anyway. He is the man who is going to have to terminate him. I would say let's finish it with "...notice to the employee" - if you think legally that is all right, Larry. I think we will just eliminate a lot of conversation by doing that. If somebody is declared surplus and a lawyer reads that paragraph what he will say the very first thing is, "Get that 180-day extension."

25X1A9A [] find that all the time with my people that are going out - they want to negotiate - "How long can I stay around here while I look for a job?" They depend on compassionate reasons, but invariably they want to negotiate with you.

MR. ECHOLS: Is the last sentence necessary? No, I don't think so.

25X1A9A [] The word "ordinarily" is our out.

MR. ECHOLS: This gives me the authority to negotiate the separation date,

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and this is terribly important, because we have the matter of any accrued leave the man might have, the notice we want to give the individual, and have to be able to sit down and on a case by case basis pre-plan the effective date.

MR. KIRKPATRICK: Yes, because I feel - and perhaps this is a hard attitude, but the more some of these people are given in the way of latitude, the more they are going to ask for.

25X1A9A

[] I have one question as to whether or not it would be advisable to put in here, as sort of a goodwill gesture, that separation under this Regulation would not bar consideration for reemployment at a later date, should conditions change.

25X1A9A

[] I think that is inherent in it, because we make a point in here that people separated under this are eligible for employment by the Government, and we are included in the Government.

MR. HOUSTON: And their performance with us was satisfactory.

MR. ECHOLS: Of course, we do say, "...in any other department or agency of the Government...."

MR. KIRKPATRICK: The only reason that I might not be very happy about having it said that in changed conditions they can come back is that anyone we have given any possibility of coming back to, they just harrass us continually.

25X1A9A

[] You can do it quietly by just leaving out "other" in the last sentence of paragraph 2.

25X1A9A

[] If you take that out you are implying that Civil Service can declare him eligible for employment here.

MR. HOUSTON: Can't we cover this point, and properly cover it, in exit interviews?

MR. ECHOLS: I think that is an ideal way.

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25X1A9A

[] The case I was thinking of here was not the kind DD/P is concerned with, I am thinking about a forced RIF - 10%, and that sort of thing - and you want these people, and they are not surplus.

MR. HOUSTON: And all of these people separated under Regulation [] 25X1 have had satisfactory performances, so we can tell them: "Look, if we ever have something open, we will let you know."

25X1A9A

[] Leave "other" in and say "including reemployment in CIA" at the end of that sentence.

MR. KIRKPATRICK: I think it would be better to do it in the exit interviews.

MR. ECHOLS: Certainly if these are really good people we are, in most cases, going to try and keep tab of them.

25X1A9A

[] I'm looking at this as just a sop to the employee who reads this.

25X1A9A

[] That was my point.

25X1A9A

[] Isn't this the wording that is used in 102(c)?

MR. HOUSTON: Yes, this is statutory. I would prefer to do it in the exit interview.

25X1A9A

[] I had some other questions. I didn't see anything here about separation compensation.

MR. ECHOLS: That is in Regulation [] We didn't want that in this one. 25X1

25X1A9A

[] What about the Director's letter to all employees?

MR. ECHOLS: Any other comments on Regulation [] [No response.] 25X1
Everybody agrees to it?

MR. HOUSTON: There is just one technical correction - there was a slight

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mix-up in the citations, which I want to correct.

MR. ECHOLS: Any objections to Regulation []

25X1

25X1A9A

[] I think I had some in my memorandum, but I don't remember exactly what they were.

MR. ECHOLS: Your comments didn't pertain to [] at all.

25X1

25X1A9A

[] Those weren't all the comments (in the memorandum)-- I didn't want to make the memo too long. I think it was six pages that the boys wrote up for me.

MR. ECHOLS: On the MEMORANDUM FOR ALL EMPLOYEES we received only two comments, and we have a revised version right here.

MEMORANDUM FOR ALL EMPLOYEES

SUBJECT: Release of Surplus Personnel

1. I have today approved Regulation Number [] which shall govern in those situations which require the release of employees who become surplus to the Agency's needs. We must expect that this Agency, like other organizations in government and private business, will from time to time find it necessary to adjust the number of its employees in order to maintain effective balance between our on-duty staff and the everchanging manpower requirements of our mission. We have fortunately found such action necessary only in isolated instances in the past but consider it imperative to be prepared to deal with future problems of this nature in an orderly and equitable manner. Toward this end, senior officials of this Agency have recommended to me the system described in Regulation Number [] and I have approved it after further consultations with appropriate officials of the Executive and Legislative branches.

25X1

2. One of my principal purposes in sending this message to you is to assure you that no major reductions of personnel are contemplated. It is expected that some adjustments in staffing will be undertaken shortly. I want to assure those individuals who may be released that we are prepared to offer every reasonable assistance to them in locating other employment.

25X1

Allen W. Dulles
Director

Now in the fifth line we changed it to "find it necessary to adjust"--and I think we had the word "reduce" in there before. We want to adjust the number of employees. And lastly, we struck out half of the second sentence from the end, which I believe said a "small number" of people would be affected. The language did read: "...but the number of individuals affected will be small and there is

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no need for general concern among you." At the recommendation of the DD/P we struck that part out. Do you want to explain your reasons, Dan?

25X1A9A

[] Well, it's a question of what you mean by "small".

It may be that we would not want to separate a very small number. And furthermore, I think if an individual is inclined to resent his selection for separation, he is more apt to resent it--

MR. KIRKPATRICK: If he thinks he's one of a small number - yes.

25X1A9A

[] If he thinks this is sort of a general thing he will go quietly--"But if you're tagging me as one of a very small number, I don't think I'm that bad, and you will have to have another go at this or I will see what I can do about it." I see no reason for raising that point, or having anyone interpret it as committing us to a small number. What is a small number?

25X1A9A

[] I felt that no letter should be sent, that only the Regulation should go out. A letter calls too much attention to it -- "Boys, you're going to get riffed."

MR. KIRKPATRICK: I'm somewhat inclined that way, too -- and I haven't talked to the Director about it but I have a hunch he may feel the same way. There is no reason why the Director can't be shown this draft memorandum--but I'm sort of inclined against it. Put the Regulation out, and word will get around fast enough.

25X1A9A

[] Any letter will cause an awful lot of speculation, I think.

MR. KIRKPATRICK: But I think Dan's psychological point is very valid - that if word goes out this is just a little RIF and you happen to be one of those riffed--

MR. HOUSTON: I have only one comment. If this memorandum is sent out - where it says "senior officials have recommended to me" - take out "the system described" there.

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MR. KIRKPATRICK: I'm not sure whether the Director would buy that, either.

25X1A9A [] How about "procedures"?

MR. HOUSTON: No. "System" would be better than "procedures". I don't consider it a fatal inclusion - I would just prefer to have it out.

25X1A9A [] I think anything from the Director is going to cause a lot of speculation. I think the Regulation is good enough to stand by itself.

25X1A9A [] Regulation [] will come out at the same time? 25X1

MR. ECHOLS: Yes.

MR. KIRKPATRICK: The trouble is, too, if you put out the Director's letter unclassified, I'll lay a wager it's in the Washington papers the next morning - headline: "World Situation Worsens - CIA RIFS". [Laughter]

MR. ECHOLS: Is it the consensus this letter from the Director is generally undesirable?

25X1A9A [] I would buy that. I would think just put out the Regulation and then make certain everybody, in all of the Offices, is well briefed.

MR. ECHOLS: We will brief all of the Admin Officers, all the Division Chiefs, and all the Personnel types, so they can answer questions.

MR. KIRKPATRICK: I move that we not suggest that this letter go out, because I think this would cause more jitters than necessary.

MR. ECHOLS: All right - everybody agrees this letter should not go out.

Now there is one other rather critical matter here. We find that we must immediately rescind Regulation [] "The Career Staff of the Central Intelligence Agency", because under paragraph 4.a., "Policy", it reads: 25X1

"Personnel selected for membership will be afforded, within the framework of applicable laws, preferential consideration

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for job security and special training as well as other benefits and facilities now or hereafter provided for members of the Career Staff."

25X1A9A

[] This is in comparison with people who are not?

If it is, it doesn't hurt us at all--

MR. ECHOLS: You do have the problem, Dan, that we will be bringing in JOTs and some other people, possibly, who are old enough, who might well fall into the exact same category that you are reducing people under.

25X1

Now this Regulation [] I might add, is completely obsolete in any event, and the Career Council has already approved its rescission.

MR. KIRKPATRICK: What do you plan to do - are you going to just recall it? rescind it?

MR. ECHOLS: Two proposals came up. One is that we publish a notice right now stating as follows:

THE CAREER STAFF OF THE CENTRAL INTELLIGENCE AGENCY

1. Some months ago, the CIA Career Council recommended to the Director of Central Intelligence, and he has approved, certain basic changes affecting the Career Staff as established under Regulation No. [] Although policy approval of these changes has been granted by the Director, all of the necessary details for implementation have not been devised. Accordingly, our practices, particularly with respect to the mechanisms for selecting employees into the Career Staff are not functioning as prescribed in [] 25X1

25X1

25X1

2. Accordingly, Regulation No. [] is being rescinded and will not be replaced in our series of regulatory issuances until an appropriately revised issuance has been approved. In the meantime, it should be clearly understood that the Career Staff has not been discontinued and that the basic concepts of Career Staff membership obtain.

MR. KIRKPATRICK: Just rescind it. My God, don't put that out.

25X1A9A

[] Amen. Please don't put that out.

MR. KIRKPATRICK: Just rescind it.

MR. ECHOLS: Now as I understand it, any Regulation which requires the Director's signature must have the concurrence of the Deputy Directors, the Inspector General, and the General Counsel, is that right?

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MR. KIRKPATRICK: That is correct, and I have my pen out ready to sign.
In this instance I don't see why the whole Career Council doesn't sign it. Don't
you [] indicating [] want to share this?

25X1A9A

25X1A9A [] No. I'm willing.

MR. ECHOLS: We wonder whether [] should receive a more restricted

25X1

25X1 distribution than []

MR. KIRKPATRICK: [] indicates the amount of money?

25X1

MR. ECHOLS: Compensation pay.

25X1A9A

[] How do you mean more restricted?--because there comes
a point when it may be restricted but it will be public knowledge in no time, and
if that is the case I think it should be given as wide a distribution as []

25X1

MR. ECHOLS: I don't know why it shouldn't go out the same way.

25X1A9A

[] I think it has to. In a sense it's an antidote.

MR. ECHOLS: True. They will say, "Well, if I have to go out under

25X1

[] maybe I will get some assistance here in []

25X1

MR. KIRKPATRICK: Now what about the issuing of this? With these sig-
natures on it it can go to the Director tomorrow.

MR. ECHOLS: We have to retype the Regulation.

MR. KIRKPATRICK: Are you planning to hand-carry it through General Cabell
to the Director?--because it's much more effective if he has somebody there to
explain it to him who knows what it is all about.

Now about the briefings - the Senior Staff Meeting is next Monday at
10:30. Why don't you and Larry plan to make a short commentary on it at the Senior
Staff Meeting?

25X1A9A

[] I think that would suffice.

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MR. ECHOLS: We are prepared to immediately undertake - the minute the Regulations are signed - a thorough briefing, a real conference. We are going to brief all of the Admin Officers and all the Personnel Officers scattered throughout the Divisions - they must know this thing inside and out. And we will distribute copies of this Regulation, and we will have a full-scale conference for a number of days, to make sure they know this thing and all the answers.

MR. KIRKPATRICK: You are all agreed this should be unclassified?

25X1

MR. HOUSTON: I think [] has to be unclassified. There is nothing classified about it.

25X1A9A

[] Should Regulation [] be unclassified?

25X1

MR. HOUSTON: I don't know on what basis you would classify it.

25X1A9A

[] You could classify it "CONFIDENTIAL."

MR. HOUSTON: On what basis?

MR. ECHOLS: Everybody we have talked to said if the Employee Unions get hold of this thing they will be pushing for it for the rest of Government.

25X1A9A

[] Regulation [] IS classified "CONFIDENTIAL" at the moment.

MR. KIRKPATRICK: Why?

MR. HOUSTON: I don't know on what basis.

25X1A9A

[] If you remember, one of the worries of the Committee in Congress was that this would get around to other agencies.

MR. HOUSTON: I don't know how you can keep a personnel program secret in this Government.

MR. KIRKPATRICK: I think you're asking for trouble if you classify it.

25X1A9A

[] : On the basis there are some people in the Agency who

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have been engaged in some peculiar activities of one sort or another, activities that are so peculiar to this Agency that they have lost touch with the outside world, and so on - could you, by stretching the imagination, consider this confidential?

25X1A9A [] You speak of clandestine operations in this Regulation.

MR. ECHOLS: I would like to see [] remain classified, Larry. 25X1

MR. HOUSTON: I don't see how you justify it. What is the classified information here?

25X1A9A [] I think we would be the only agency in Government who would have people within the agency some of whom qualify for compensation and the others do not qualify for it.

MR. HOUSTON: No. For instance, look at the trouble the Government Printing Office has had in getting rid of certain types of specialists they had. They would like something like this.

25X1A9A [] If the military or the State Department separate people because they are passed over, etc. - they are all in the same boat -- there is no distinction between a man who has been an intelligence officer and a man who has been a finance officer, for example.

25X1A9A [] Certainly the State Department regulation covering compensation can't be classified.

25X1A9A [] That applies to everybody, but this one doesn't apply to everybody.

MR. HOUSTON: If it is classified it will still be published.

MR. KIRKPATRICK: You think it should be unclassified, Larry?

MR. HOUSTON: Unless somebody can point out the classified items in it.

MR. ECHOLS: The only thing even remotely classified in it is the

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statement: "Such individuals would include, for example, those who are called upon to acquire and use skills and knowledge so peculiar to the conduct of clandestine operations that they are not in demand elsewhere." That is not very classified.

25X1A9A

That is not alone the limiting factor here. There are people in other categories not necessarily in clandestine work, that would come under the general--

MR. HOUSTON: Yes, in other departments of Government.

MR. KIRKPATRICK: Well, the fact you mention "clandestine operations" classifies it. We have never publicly acknowledged that we have clandestine operations. I think that classifies it.

MR. ECHOLS: Good.

MR. HOUSTON: It will still be published.

MR. ECHOLS: Any new business? ☐ No response.]

MR. KIRKPATRICK: Is everybody happy?

Thank you very much, gentlemen.

. . . . The meeting adjourned at 3:20 p.m.

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